

118TH CONGRESS
2D SESSION

S. 4860

To amend title XVIII of the Social Security Act to establish coverage for certain residential substance use disorder services under the Medicare program.

IN THE SENATE OF THE UNITED STATES

JULY 30, 2024

Mr. CASEY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to establish coverage for certain residential substance use disorder services under the Medicare program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Residential Recovery
5 for Seniors Act”.

1 **SEC. 2. ESTABLISHING COVERAGE FOR CERTAIN RESIDEN-**
 2 **TIAL SUBSTANCE USE DISORDER SERVICES**
 3 **UNDER THE MEDICARE PROGRAM.**

4 (a) COVERAGE UNDER PART A.—Section 1812(a) of
 5 the Social Security Act (42 U.S.C. 1395d(a)) is amend-
 6 ed—

7 (1) in paragraph (4), by striking “and” at the
 8 end;

9 (2) in paragraph (5), by striking the period at
 10 the end and inserting a semicolon; and

11 (3) by adding at the end the following new
 12 paragraphs:

13 “(6) clinically managed low-intensity residential
 14 substance use disorder services (as defined in section
 15 1861(nnn)(1)) furnished to an individual who is a
 16 resident of a clinically managed residential substance
 17 use disorder facility (as defined in section
 18 1861(nnn)(3)) if the individual’s initial need for
 19 such level of services is performed, and continued
 20 need for such level of services is reviewed and re-
 21 affirmed periodically (on a frequency specified by the
 22 Secretary that is not less often than every 30 days),
 23 in accordance with the most current edition ap-
 24 proved by the Secretary of evidence-based substance
 25 use disorder-specific criteria developed by a non-

1 profit medical association generally recognized for its
2 expertise in addiction treatment;

3 “(7) clinically managed high-intensity residen-
4 tial substance use disorder services (as defined in
5 section 1861(ooo)(1)) furnished to an individual who
6 is a resident of a clinically managed residential sub-
7 stance use disorder facility (as defined in section
8 1861(nnn)(3)) if the individual’s initial need for
9 such level of services is performed, and continued
10 need for such level of services is reviewed and re-
11 affirmed periodically (on a frequency specified by the
12 Secretary that is not less often than every 30 days),
13 in accordance with the most current edition ap-
14 proved by the Secretary of evidence-based substance
15 use disorder-specific criteria developed by a non-
16 profit medical association generally recognized for its
17 expertise in addiction treatment; and

18 “(8) medically managed residential substance
19 use disorder services (as defined in section
20 1861(ppp)(1)) furnished to an individual who is a
21 resident of a medically managed residential sub-
22 stance use disorder facility (as defined in section
23 1861(ppp)(3)) if the individual’s initial need for
24 such level of services is performed, and continued
25 need for such level of services is reviewed and re-

1 affirmed periodically (on a frequency specified by the
 2 Secretary that is not less often than every 10 days),
 3 in accordance with the most current edition ap-
 4 proved by the Secretary of evidence-based substance
 5 use disorder-specific criteria developed by a non-
 6 profit medical association generally recognized for its
 7 expertise in addiction treatment.”.

8 (b) RESIDENTIAL SUBSTANCE USE DISORDER SERV-
 9 ICES, PROGRAMS, AND FACILITIES DEFINED.—Section
 10 1861 of the Social Security Act (42 U.S.C. 1395x) is
 11 amended by adding at the end the following new sub-
 12 sections:

13 “(nnn) CLINICALLY MANAGED LOW-INTENSITY RES-
 14 IDENTIAL SUBSTANCE USE DISORDER SERVICES, PRO-
 15 GRAM, AND FACILITY.—

16 “(1) CLINICALLY MANAGED LOW-INTENSITY
 17 RESIDENTIAL SUBSTANCE USE DISORDER SERV-
 18 ICES.—The term ‘clinically managed low-intensity
 19 residential substance use disorder services’ means
 20 the following items and services furnished to an indi-
 21 vidual in a clinically managed low-intensity residen-
 22 tial substance use disorder program (as defined in
 23 paragraph (2)) and (except as provided in subpara-
 24 graph (C)) by such program for the treatment of

1 substance use disorders and co-occurring conditions,
2 including—

3 “(A) bed and board;

4 “(B) such clinical services and other re-
5 lated services (including substance use disorder
6 and co-occurring condition assessments and
7 treatment planning), such use of clinically man-
8 aged residential substance use disorder facili-
9 ties, and such medical social services (including
10 recovery support services), as are ordinarily fur-
11 nished by the clinically managed low-intensity
12 residential substance use disorder program for
13 the care and treatment of individuals in such
14 program, and such drugs, supplies, appliances,
15 and equipment, for use in the clinically man-
16 aged low-intensity residential substance use dis-
17 order program, as are ordinarily furnished by
18 such program for the care and treatment of in-
19 dividuals in such program; and

20 “(C) such other diagnostic or therapeutic
21 items or services, furnished by the clinically
22 managed low-intensity residential substance use
23 disorder program or by others under arrange-
24 ments with them made by the clinically man-
25 aged low-intensity residential substance use dis-

order program, as are ordinarily furnished to individuals either by such clinically managed low-intensity residential substance use disorder program or by others under such arrangements, excluding—

“(i) medical or surgical services provided by a physician, services described by subsection (s)(2)(K), and qualified psychologist services; and

“(ii) the services of a private-duty nurse or other private-duty attendant.

“(2) CLINICALLY MANAGED LOW-INTENSITY RESIDENTIAL SUBSTANCE USE DISORDER PROGRAM.—The term ‘clinically managed low-intensity residential substance use disorder program’ means a residential program which—

“(A) is primarily engaged in providing 24-hour structure and support and integrated clinical services for the diagnosis, treatment, and care of individuals with substance use disorders who need structure and support to build and practice their recovery and coping skills;

“(B) directly provides a substance use disorder-specific multidimensional level of care assessment at admission to determine the rec-

ommended level of care, using protocols developed by a physician or advanced practice provider with experience in specialty addiction treatment to confirm the appropriateness of treatment in such program for individuals who are intoxicated, experiencing withdrawal, or presenting with biomedical comorbidities;

“(C) directly provides, or has a direct affiliation with, a provider or providers who can provide physical examinations, prescribe all addiction and psychiatric medications, and provide medication management and laboratory testing as needed (except that access to methadone is not required if no providers of methadone for opioid use disorder are available, as determined by the Secretary);

“(D) directly provides weekly clinical services, in hourly increments to be determined by the Secretary, in an amount, frequency, and intensity appropriate to an individual’s needs as determined by a substance use disorder-specific multidimensional assessment, with structured services available seven days per week;

“(E) maintains clinical records on all patients and maintains such records as the Sec-

1 retary finds to be necessary to determine the
2 degree and intensity of the treatment provided
3 to individuals entitled to clinically managed low-
4 intensity residential substance use disorder pro-
5 gram insurance benefits under part A, provided
6 that the Secretary shall not require a program
7 to maintain such records in a manner that is
8 more extensive, detailed, or stringent than what
9 is required of an institution that is considered
10 a ‘hospital’ under subsection (e);

11 “(F) coordinates patient referrals and
12 transitions to other levels of care when needed,
13 including transition planning in partnership
14 with other providers participating in the Medi-
15 care program; and

16 “(G) meets such additional staffing re-
17 quirements and other conditions as the Sec-
18 retary shall specify to ensure the effective and
19 efficient furnishing of such program’s services
20 and the compliance of such program with clini-
21 cally managed low-intensity residential sub-
22 stance use disorder program standards de-
23 scribed in the most current edition approved by
24 the Secretary of evidence-based substance use
25 disorder-specific criteria developed by a non-

1 profit medical association generally recognized
2 for its expertise in addiction treatment.

3 Obtaining and maintaining certification from a certi-
4 fying body that has the necessary competencies to
5 assess compliance with such program standards and
6 is approved by the Secretary shall be deemed to
7 demonstrate compliance with the standards de-
8 scribed in subparagraph (G).

9 “(3) CLINICALLY MANAGED RESIDENTIAL SUB-
10 STANCE USE DISORDER FACILITY.—The term ‘clini-
11 cally managed residential substance use disorder
12 treatment facility’ means a facility which—

13 “(A) is enrolled under section 1866(j);

14 “(B) is accredited by an accrediting body
15 approved by the Secretary;

16 “(C) is legally authorized to provide a
17 clinically managed low- or high-intensity resi-
18 dential substance use disorder program under
19 the law of the State (or under a State regu-
20 latory mechanism provided by State law) in
21 which the facility is located; and

22 “(D) meets such additional conditions as
23 the Secretary finds necessary in the interest of
24 the health and safety of individuals who are
25 residents of such facilities and are furnished

1 clinically managed low-intensity residential sub-
 2 stance use disorder services (or clinically man-
 3 aged high-intensity residential substance use
 4 disorder services, as the case may be).

5 “(ooo) CLINICALLY MANAGED HIGH-INTENSITY
 6 RESIDENTIAL SUBSTANCE USE DISORDER SERVICES AND
 7 PROGRAM.—

8 “(1) CLINICALLY MANAGED HIGH-INTENSITY
 9 RESIDENTIAL SUBSTANCE USE DISORDER SERV-
 10 ICES.—The term ‘clinically managed high-intensity
 11 residential substance use disorder services’ means
 12 the following items and services furnished to an indi-
 13 vidual in a clinically managed high-intensity residen-
 14 tial substance use disorder program (as defined in
 15 paragraph (2)) and (except as provided in subpara-
 16 graph (C)) by such program for the treatment of
 17 substance use disorders and co-occurring conditions,
 18 including—

19 “(A) bed and board;

20 “(B) such clinical services and other re-
 21 lated services (including substance use disorder
 22 and co-occurring condition assessments and
 23 treatment planning), such use of clinically man-
 24 aged residential substance use disorder facili-
 25 ties, and such medical social services (including

1 recovery support services), as are ordinarily fur-
2 nished by the clinically managed high-intensity
3 residential substance use disorder program for
4 the care and treatment of individuals in such
5 program, and such drugs, supplies, appliances,
6 and equipment, for use in the clinically man-
7 aged high-intensity residential substance use
8 disorder program, as are ordinarily furnished
9 by such program for the care and treatment of
10 individuals in such program; and

11 “(C) such other diagnostic or therapeutic
12 items or services, furnished by the clinically
13 managed high-intensity residential substance
14 use disorder program or by others under ar-
15 rangements with them made by the clinically
16 managed high-intensity residential substance
17 use disorder program, as are ordinarily fur-
18 nished to individuals either by such clinically
19 managed high-intensity residential substance
20 use disorder program or by others under such
21 arrangements, excluding—

22 “(i) medical or surgical services pro-
23 vided by a physician, services described by
24 subsection (s)(2)(K), and qualified psychol-
25 ogist services; and

1 “(ii) the services of a private-duty
2 nurse or other private-duty attendant.

3 “(2) CLINICALLY MANAGED HIGH-INTENSITY
4 RESIDENTIAL SUBSTANCE USE DISORDER PRO-
5 GRAM.—The term ‘clinically managed high-intensity
6 residential substance use disorder program’ means a
7 residential program that—

8 “(A) is primarily engaged in providing 24-
9 hour supervision for the diagnosis, treatment,
10 and care of individuals with substance use dis-
11 orders who need a safe and stable living envi-
12 ronment to develop sufficient recovery skills so
13 that they do not immediately relapse or con-
14 tinue to use in an imminently dangerous man-
15 ner upon transition to a less intensive level of
16 care;

17 “(B) directly provides a substance use dis-
18 order-specific multidimensional level of care as-
19 sessment at admission to determine the rec-
20 ommended level of care, using protocols devel-
21 oped by a physician or advanced practice pro-
22 vider experienced in specialty addiction treat-
23 ment to confirm the appropriateness of treat-
24 ment in such facility for individuals who are in-

1 toxicated, experiencing withdrawal, or pre-
2 senting with biomedical comorbidities;

3 “(C) directly provides, or has a direct af-
4 filiation with, a provider or providers who can
5 provide physical examinations, prescribe all ad-
6 diction and psychiatric medications, and provide
7 medication management and laboratory testing
8 as needed (except that access to methadone is
9 not required if no providers of methadone for
10 opioid use disorder are available, as determined
11 by the Secretary);

12 “(D) directly provides 20 hours or more of
13 clinical services per week in an amount, fre-
14 quency, and intensity appropriate to individual
15 patient needs as determined by a substance use
16 disorder-specific multidimensional assessment,
17 with structured services available seven days
18 per week;

19 “(E) directly provides clinically managed
20 residential withdrawal management, including
21 24-hour supervision, observation, and support
22 for individuals who are intoxicated or experi-
23 encing withdrawal, who do not need medically
24 monitored or managed care (as determined
25 through a medical evaluation);

1 “(F) maintains clinical records on all pa-
2 tients and maintains such records as the Sec-
3 retary finds to be necessary to determine the
4 degree and intensity of the treatment provided
5 to individuals entitled to clinically managed
6 high-intensity residential substance use disorder
7 program insurance benefits under part A, pro-
8 vided that the Secretary shall not require a pro-
9 gram to maintain such records in a manner
10 that is more extensive, detailed, or stringent
11 than what is required of an institution that is
12 considered a ‘hospital’ under subsection (e);

13 “(G) manages patient referrals and transi-
14 tions to other levels of care when needed; and

15 “(H) meets such additional staffing re-
16 quirements and other conditions as the Sec-
17 retary shall specify to ensure the effective and
18 efficient furnishing of such program’s services
19 and the compliance of such program with clini-
20 cally managed high-intensity residential sub-
21 stance use disorder program standards de-
22 scribed in the most current edition approved by
23 the Secretary of evidence-based substance use
24 disorder-specific criteria developed by a non-

1 profit medical association generally recognized
2 for its expertise in addiction treatment.

3 Obtaining and maintaining certification from a certi-
4 fying body that has the necessary competencies to
5 assess compliance with such program standards and
6 is approved by the Secretary shall be deemed to
7 demonstrate compliance with the standards de-
8 scribed in subparagraph (H).

9 “(ppp) MEDICALLY MANAGED RESIDENTIAL SUB-
10 STANCE USE DISORDER SERVICES, PROGRAM, AND FA-
11 CILITY.—

12 “(1) MEDICALLY MANAGED RESIDENTIAL SUB-
13 STANCE USE DISORDER SERVICES.—The term ‘medi-
14 cally managed residential substance use disorder
15 services’ means the following items and services fur-
16 nished to an individual in a medically managed resi-
17 dential substance use disorder program (as defined
18 in paragraph (2)) and (except as provided in sub-
19 paragraph (C)) by such program for the treatment
20 of substance use disorders and co-occurring condi-
21 tions, including—

22 “(A) bed and board;

23 “(B) 24-hour nursing services;

24 “(C) such clinical services and other re-
25 lated services (including substance use disorder

1 and co-occurring condition assessments and
2 treatment planning), such use of medically
3 managed residential substance use disorder fa-
4 cilities, and such medical social services (includ-
5 ing recovery support services), as are ordinarily
6 furnished by the medically managed residential
7 substance use disorder program for the care
8 and treatment of residents of such program,
9 and such drugs, supplies, appliances, and equip-
10 ment, for use in the medically managed residen-
11 tial substance use disorder program, as are or-
12 dinarily furnished by such program for the care
13 and treatment of residents of such program;
14 and

15 “(D) such other diagnostic or therapeutic
16 items or services, furnished by the medically
17 managed residential substance use disorder pro-
18 gram or by others under arrangements with
19 them made by the medically managed residen-
20 tial substance use disorder program, as are or-
21 dinarily furnished to residents either by the
22 medically managed residential substance use
23 disorder program or by others under such ar-
24 rangements, excluding—

1 “(i) medical or surgical services pro-
2 vided by a physician, services described by
3 subsection (s)(2)(K), and qualified psychol-
4 ogist services; and

5 “(ii) the services of a private-duty
6 nurse or other private-duty attendant.

7 “(2) MEDICALLY MANAGED RESIDENTIAL SUB-
8 STANCE USE DISORDER PROGRAM.—The term ‘medi-
9 cally managed residential substance use disorder
10 program’ means a residential program that—

11 “(A) is primarily engaged in providing
12 management of substance withdrawal and bio-
13 medical comorbidities, including diagnosis,
14 treatment, and care, for individuals with sub-
15 stance use disorders who need 24-hour observa-
16 tion, monitoring, and treatment, but do not re-
17 quire the full resources of a hospital;

18 “(B) directly provides a comprehensive
19 nursing assessment at the time of admission,
20 with a substance use disorder-focused history
21 obtained as part of the initial assessment which
22 is reviewed by a physician or advanced practice
23 provider within 24 hours of admission;

24 “(C) directly provides a comprehensive
25 physical examination by a physician or ad-

1 vanced practice provider within 24 hours of ad-
2 mission;

3 “(D) directly provides sufficient biopsychosocial screening and assessments of the pa-
4 tient’s substance use disorders and co-occurring
5 disorders to determine the appropriate rec-
6 ommended level of care and treatment planning;

7 “(E) directly provides daily medical inter-
8 ventions, including nursing and medical moni-
9 toring for stabilization of acute withdrawal, bio-
10 medical and psychiatric conditions, and psycho-
11 social services to encourage engagement in on-
12 going treatment, all in an amount, frequency,
13 and intensity appropriate to individual patient
14 needs as determined by a substance use dis-
15 order-specific multidimensional assessment;

16 “(F) directly provides essential medications
17 on site with policies and procedures that define
18 essential medicines based on current standards
19 of clinical practice and that ensure these medi-
20 cations are stocked and access to all Food and
21 Drug Administration-approved medications for
22 the treatment of substance use disorders (ex-
23 cept that access to methadone is not required if
24 no providers of methadone for opioid use dis-
25

1 order are available, as determined by the Sec-
2 retary);

3 “(G) directly provides residential intoxica-
4 tion and withdrawal management services and
5 residential management of biomedical condi-
6 tions;

7 “(H) maintains clinical records on all pa-
8 tients and maintains such records as the Sec-
9 retary finds to be necessary to determine the
10 degree and intensity of the treatment provided
11 to individuals entitled to clinically managed
12 high-intensity residential substance use disorder
13 program insurance benefits under part A, pro-
14 vided that the Secretary shall not require a pro-
15 gram to maintain such records in a manner
16 that is more extensive, detailed, or stringent
17 than what is required of an institution that is
18 considered a ‘hospital’ under subsection (e);

19 “(I) manages patient transitions to other
20 levels of care when needed; and

21 “(J) meets such additional staffing re-
22 quirements and other conditions as the Sec-
23 retary shall specify to ensure the effective and
24 efficient furnishing of such program’s services
25 and the compliance of such program with clini-

1 cally managed high-intensity residential sub-
 2 stance use disorder program standards de-
 3 scribed in the most current edition approved by
 4 the Secretary of evidence-based substance use
 5 disorder-specific criteria developed by a non-
 6 profit medical association generally recognized
 7 for its expertise in addiction treatment.

8 Obtaining and maintaining certification from a certi-
 9 fying body that has the necessary competencies to
 10 assess compliance with such program standards and
 11 is approved by the Secretary shall be deemed to
 12 demonstrate compliance with the standards de-
 13 scribed in subparagraph (J).

14 “(3) MEDICALLY MANAGED RESIDENTIAL SUB-
 15 STANCE USE DISORDER FACILITY.—The term ‘medi-
 16 cally managed residential substance use disorder
 17 treatment facility’ means a facility that—

18 “(A) is enrolled under section 1866(j);

19 “(B) is accredited by an accrediting body
 20 approved by the Secretary;

21 “(C) is legally authorized to provide a
 22 medically managed residential substance use
 23 disorder program under the law of the State (or
 24 under a State regulatory mechanism provided

1 by State law) in which the facility is located;
 2 and

3 “(D) meets such additional conditions as
 4 the Secretary finds necessary in the interest of
 5 the health and safety of individuals who are
 6 residents of such facilities and are furnished
 7 medically managed residential substance use
 8 disorder services.”.

9 (c) INCLUDING RESIDENTIAL SUBSTANCE USE DIS-
 10 ORDER FACILITIES AS MEDICARE PROVIDERS.—Section
 11 1866(e) of the Social Security Act (42 U.S.C. 1395cc(e))
 12 is amended—

13 (1) in paragraph (2), by striking at the end
 14 “and”;

15 (2) in paragraph (3), by striking the period at
 16 the end and inserting a semicolon; and

17 (3) by adding at the end the following new
 18 paragraphs:

19 “(4) clinically managed residential substance
 20 use disorder facilities (as defined in paragraph (3)
 21 of section 1861(nnn)), but only with respect to the
 22 furnishing of clinically managed low-intensity resi-
 23 dential substance use disorder services (as defined in
 24 paragraph (1) of such section) and clinically man-
 25 aged high-intensity residential substance use dis-

1 order services (as defined in paragraph (1) of section
2 1861(ooo)), as applicable; and

3 “(5) medically managed residential substance
4 use disorder facilities (as defined in paragraph (3)
5 of section 1861(ppp)), but only with respect to the
6 furnishing of clinically managed low-intensity resi-
7 dential substance use disorder services (as defined in
8 paragraph (1) of section 1861(nnn)), clinically man-
9 aged high-intensity residential substance use dis-
10 order services (as defined in paragraph (1) of section
11 1861(ooo)), and medically managed residential sub-
12 stance use disorder services (as defined in paragraph
13 (1) of section 1861(ppp)), as applicable.”.

14 (d) PROSPECTIVE PAYMENT SYSTEM FOR RESIDEN-
15 TIAL SUBSTANCE USE DISORDER SERVICES.—Section
16 1886 of the Social Security Act (42 U.S.C. 1395ww) is
17 amended by adding at the end the following new sub-
18 section:

19 “(u) PROSPECTIVE PAYMENT FOR RESIDENTIAL
20 SUBSTANCE USE DISORDER FACILITIES.—

21 “(1) DEVELOPMENT OF SYSTEM.—The Sec-
22 retary shall develop a per diem prospective payment
23 system for low-intensity clinically managed, high-in-
24 tensity clinically managed, and medically managed
25 residential substance use disorder services, as those

1 terms are defined, respectively, in sections
 2 1861(nnn)(1), 1861(ooo)(1), and 1861(ppp)(1) (in
 3 this subsection collectively referred to as ‘residential
 4 substance use disorder services’). Such system shall
 5 include appropriate adjustments to reflect the dif-
 6 fering resource-intensity of low-intensity clinically
 7 managed, high-intensity clinically managed, and
 8 medically managed residential substance use dis-
 9 order services, and may include an adequate patient
 10 classification system that reflects differences in pa-
 11 tient resource use and cost. In developing such sys-
 12 tem, the Secretary may require clinically managed
 13 and medically managed residential substance use
 14 disorder facilities, as those terms are defined in sec-
 15 tions 1861(nnn)(3) and section 1861(ppp)(3), re-
 16 spectively (in this subsection collectively referred to
 17 as ‘residential substance use disorder facilities’), to
 18 submit such information to the Secretary, including
 19 cost reports, as the Secretary may require to develop
 20 such system.

21 “(2) IMPLEMENTATION.—

22 “(A) IN GENERAL.—The Secretary shall
 23 provide, for cost reporting periods beginning on
 24 or after October 1, 2025, for payments for resi-
 25 dential substance use disorder services fur-

1 nished by residential substance use disorder fa-
2 cilities in accordance with the prospective pay-
3 ment system established by the Secretary under
4 this subsection.

5 “(B) PAYMENTS.—

6 “(i) INITIAL PAYMENTS.—The Sec-
7 retary shall implement such prospective
8 payment system in the initial fiscal year so
9 that the estimated aggregate amount of
10 prospective payment rates is equal to 100
11 percent of the estimated amount of reason-
12 able costs incurred by residential substance
13 use disorder facilities in furnishing such
14 services.

15 “(ii) PAYMENTS IN SUBSEQUENT
16 YEARS.—Payment rates in years after the
17 year of implementation of such system
18 shall be the payment rates in the previous
19 year, adjusted by an increase factor. Such
20 factor shall be based on an appropriate
21 percentage increase in a market basket of
22 goods and services comprising the services
23 for which payment is made under this sub-
24 section.”.

○